



**Attorney General
Betty D. Montgomery**

September 25 2001

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Magalie R. Salas
Office of the Secretary
Federal Communications Commission
445 - 12th Street, SW
Washington, DC 20554

Re: *In the Matter of Federal State Joint Board on
Universal Service, CC Docket No. 96-45.*

Dear Ms. Salas:

I represent the Public Utilities Commission of Ohio ("PUCO") in this proceeding and I am writing to you in that capacity.

Accompanying this letter is a copy of a Finding & Order (F&O) released by the PUCO on September 13, 2001. This F&O was issued pursuant to the FCC's directive set forth in CC Docket No. 96-45, which required each State commission to certify that all of the State's rural carriers are eligible to receive federal high-cost support (including high cost loop support, local switching support, high cost support received pursuant to the purchase of exchanges, high cost model support, and hold harmless support) and will use such funding only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with § 254(e) of the Telecommunications Act of 1996.

As you can see from the attached Order, every Ohio rural carrier previously identified by the Universal Service Administrative Company (USAC) as eligible to receive the aforementioned federal USF support has filed with the PUCO a sworn affidavit demonstrating their intent to utilize such funding in a manner consistent with Section § 254(e) of the Telecommunications Act of 1996.

In addition to the rural carrier F&O, we have attached a copy of an affidavit from one of Ohio's non-rural carriers, Alltel Ohio. As with the F&O, this affidavit is also being submitted pursuant to requirements set forth under the FCC's CC Docket 96-45, and demonstrates Alltel's intent to utilize any interim hold harmless funding only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

Accordingly, the PUCO certifies that all of the above-referenced carriers have indicated in writing their intent to use the funding only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with § 254(e) of the Telecommunications Act of 1996.

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Please send me a time-stamped copy of this letter in the enclosed self-addressed envelope (an extra copy of this latter is enclosed for that purposes). Otherwise, if you should have any questions or comments regarding this submittal, please direct them to Michael Dorrian, Utilities Specialist 1, at (614) 644-8102.

Respectfully Submitted

Betty D. Montgomery
Attorney General of Ohio



Steven T. Nourse
Assistant Attorney General
Public Utilities Section
180 East Broad Street
Columbus, OH 43215-3793
(614) 466-4396

cc: Irene Flannery, Universal Service Administrative Company

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission)
Investigation of the Intrastate Universal) Case No. 97-632-TP-COI
Service Discounts.)

FINDING AND ORDER

The Commission finds:

- (1) On May 7, 1997, the Federal Communications Commission (FCC) issued a Report and Order in CC Docket 96-45 (96-45) (*In the Matter of Federal-State Board on Universal Service*) adopting rules to promote universal service consistent with the requirements of the Telecommunications Act of 1996 (1996 Act). In its 96-45 decision, the FCC, among other things, set forth parameters for the states to determine those carriers eligible to receive federal universal service support. The states were further to determine those carriers that should be classified as rural carriers or non-rural carriers for the purpose of federal universal service support consistent with the Communications Act of 1934, as amended.
- (2) On May 23, 2001, the FCC issued its Fourteenth Report and Order and Twenty-Second Order on Reconsideration in CC Docket No. 96-45. Among other things, the FCC determined that states are well suited and best positioned to determine whether rural carriers are using universal high cost support consistent with section 254(e) of the 1996 Act. Under section 254(e), carriers must use universal service support "only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." Given that states generally have primary authority over carriers' intrastate activities, the FCC indicated that the state certification process provides the most reliable means of determining whether carriers are, in fact, using such support in accordance with section 254(e). Consequently, the FCC concluded that it must receive from the states an annual filing certifying their respective carriers' compliance with the high-cost support requirements.
- (3) Accordingly, the FCC determined that it would require the states that wish to receive federal universal service high-cost support for rural carriers within their boundaries to file a certification with the FCC and the Universal Service Administrative Company (USAC) stating that all federal high-cost funds flowing to rural carriers in that state will be used in a manner consistent with section 254(e). Absent such certification, carriers will not receive such support. Moreover, in the event that a state determines that a carrier has not complied with section 254(e), the state shall have the authority to revoke the certification. The FCC required certifications to be submitted initially on October 1, 2001, for the first full year of implementation, January 1, 2002 to December 31, 2002.

- (4) On August 2, 2001, the Commission issued a Finding and Order in the above-captioned proceeding, calling for all carriers receiving federal universal service high cost funding in Ohio to submit, by August 22, 2001, a notarized affidavit attesting that such high cost funding (specifically, high cost loop support [47 C.F.R., Part 36], local switching support [47 C.F.R. §54.301], and any high cost support received as a result of a purchase of exchanges [47 C.F.R. § 54.305]) is being utilized consistent with section 254(e) of the 1996 Act. Accordingly, timely filed affidavits were received from the following carriers:

Arcadia Telephone Company
The Arthur Mutual Telephone Company
Ayersville Telephone Company
Bascom Mutual Telephone Company
Benton Ridge Telephone Company
Buckland Telephone Company
CenturyTel of Ohio, Inc.
The Champaign Telephone Company
The Chillicothe Telephone Company
Columbus Grove Telephone Company
The Conneaut Telephone Company
Continental Telephone Company
Doylestown Telephone Company
Farmers Mutual Telephone Company
The Fort Jennings Telephone Company
Frontier Communications of Michigan, Inc.
Germantown Independent Telephone Company
Glandorf Telephone Company
Kalida Telephone Company, Inc.
Little Miami Communications Corporation
McClure Telephone Company
Middle Point Home Telephone Company
Minford Telephone Company
New Knoxville Telephone Company
The Nova Telephone Company
Oakwood Telephone Company
Orwell Telephone Company
The Ottoville Mutual Telephone Company
Pattersonville Telephone Company
Ridgeville Telephone Company
Sherwood Mutual Telephone Company
Sycamore Telephone Company
Telephone Service Company
Vanlue Telephone Company
Vaughnsville Telephone Company
Wabash Mutual Telephone Company

- (5) The Commission's Staff has reviewed the affidavits submitted by the aforementioned companies, and has concluded that they satisfy the FCC's requirements for certification to receive high cost funding consistent with section 254(e) of the 1996 Act. Staff, therefore, recommends that these companies be certified by the Commission to the FCC and USAC as being in compliance with section 254(e) of the 1996 Act.
- (6) The Commission concurs with Staff's recommendation and, therefore, finds that certification of the aforementioned rural carriers to receive federal high cost loop support [47 C.F.R., Part 36], local switching support [47 C.F.R. § 54.301], and any high cost support received as a result of a purchase of exchanges [47 C.F.R. § 54.305] should be granted.


It is, therefore,

ORDERED, That all rural carriers identified in Finding (4) above, are hereby certified to the FCC and USAC as being eligible to receive federal high cost loop support [47 C.F.R., Part 36], local switching support [47 C.F.R. §54.301], and any high cost support received as a result of a purchase of exchanges [47 C.F.R. §54.305], as such carriers have demonstrated their intent to utilize such funding in a manner consistent with section 254(e) of the Telecommunications Act of 1996. It is, further,

ORDERED, That nothing contained in this Finding and Order shall be deemed binding upon this Commission in any subsequent investigation or proceeding involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this Finding and Order be served upon all interested persons of record in this investigation.

THE PUBLIC UTILITIES COMMISSION OF OHIO


 Alan R. Schriber, Chairman


 Ronda Hartman Fergus

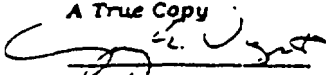

 Judith A. Jones

 Donald L. Mason

 Clarence D. Rogers, Jr.

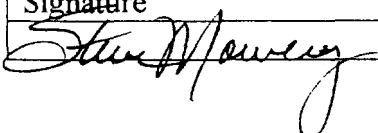
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Entered in the Journal
 SEP 13 2001

A True Copy

 Gary E. Vigorito
 Secretary

Affidavit:

As an authorized corporate officer of ALLTEL Ohio, Inc., I, under penalty of perjury, hereby affirm that federal universal service funds received for the purpose of providing interim hold harmless support will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. (see 47 C.F.R. § 54.313)

Signature	Type or Print Name	Date
	Steve Mowery	9-20-2001

Subscribed and Sworn to before me this 20th day of September, 2001.


Notary Public

My Commission Expires: September 1, 2011

